Generating Deeper Insight

Nils Michaelis, Managing Director of Digital for the APAC Products Operating Group at Accenture, tells **Dawn Murden** where companies typically go wrong when it comes to customer experience and how data analytics can help

What challenges do you find companies often face when it comes to enhancing customer experience through technology?

The first is getting leaders to frame what they mean by customer experience and what they're looking to improve.

Many struggle to identify what they're trying to achieve and get too hung up on technology. They might build another website or mobile app, but often that's just one small piece. They lose sight of what the customer really wants or needs.

They have to understand how to examine customer journeys and put design thinking in place to drive action.

Secondly, I often see the inability to execute on great ideas or research. So, key customer segments are validated, but they don't know what to do next or the initiatives fail to get the right focus from leadership and get throttled.

Can appointing a Chief Customer Officer drive the right amount of focus?

It works when the chief customer officer is someone senior. A couple of years ago, the then CEO of Macy's put his title as Chief Customer Officer and was one of the first CEO's to do it. He got the whole company to rotate towards being customer centric, and to focus on getting it right for customers using data and insight.

Ultimately, the role can't be an empty promise. If they hire someone and call them a chief customer officer but they don't have any power and they're three levels down from the chief marketing officer – who often still gets neglected when it comes to decision making and influence – then it doesn't make sense. It has to be at the right level and with conviction, not just flavour of the month.

How should data be used to measure customer satisfaction and future desires?

We're now in a phase where we can be relatively broad with the data we bring in; we call it data discovery. >

Vast amounts of data from all kinds of different sources can be pumped into a 'data discovery platform'. Different tools and technologies can then run over it to make sense of why and how certain customers behave. Even without knowing what you're looking for, you can start to find patterns.

Companies can use this combination of traditional and alternate data sources – such as social media – along with derived customer data through advanced analysis to build customer DNA profiles. Instead of simple observation points, more complex 'customer genomes' can be developed, which present a deeper understanding of individual customer needs, preferences and lifestyles.

It means businesses can create targeted approaches for high-value customers and prospects. They can streamline and manage inventory, and distribute products or services to regions where clusters of customer genomes reside.

The information can also be refreshed continuously, which is something that couldn't be done before.

What did companies tend to do previously?

It was more about interviewing people and then coming to conclusions. Now we're seeing that when you ask people about what they'll do, you can't be certain they will in fact do what they say.

For example, with Brexit and the US presidential election, those forecasting it using traditional methods were wrong. In contrast, those who used non-traditional methods or artificial intelligence were correct. There is more data available

that we can use to understand what a customer is doing, rather than simply asking.

You're currently focused on the Asia Pacific region. When it comes to the way companies approach customer experience have you spotted any trends?

The penetration of smartphones is currently higher in Asia, and it's become very normal for people to use chat functions and smartphones to engage.

In Bangkok, the hotel brand St Regis has, as it does everywhere else, a butler service. They now have a card in each room saying that you can either call, go to reception or simply send a message on WhatsApp for service.

I find this interesting for a more conservative brand like St Regis. It shows more brands in the Asia are using services such as WeChat and WhatsApp to communicate with customers.

How can companies ensure consistency in the way a brand is delivered across different geographies?

There needs to be more consistency around the customer promise. For example, Chinese consumers want to know that the European brand they are buying is positioned the same way there as it is in China. However, it can be delivered in a different way.

It's about taking into account the cultural elements; also the different adoption and usage of digital and tailoring the delivery mechanisms. For example, Burberry uses WeChat functionality in China to engage, sell and demonstrate runway shows.

I would also warn that when it comes to price it's not acceptable to be luxury in one area and a lower price brand in another. You need to be consistent around that because the channels building that image are accessible everywhere.

The brand Thomas Pink, a German shirt maker – owned by Louis Vuitton – struggled for a while because they were selling at a lower price point in the UK, compared to the US and Germany where it was expensive. Getting prices harmonised across borders is essential. ■

Nils was a speaker at Criticaleye's Asia Leadership Retreat, in association with Accenture.
Find out more here

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Based in Singapore, Nils leads Digital for the APAC Products Operating Group at Accenture, with a focus on digital technologies and capabilities in analytics, social and mobile technology, as well as user experiences.

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